



Rule and Interpretive/Policy Statement Review Checklist

This form is to be used when the current version of the rule or interpretive or policy statement has not previously been reviewed. When reviewing an interpretive or policy statement, this document is to be used only if the review of the statement is not in conjunction with the review of a rule.

All responses should be **bolded**.

Document(s) Reviewed (include title): **WAC 458-20-262 Retail sales and use tax exemptions for agricultural employee housing.**

Date last adopted/issued: **December 31, 1998**

Reviewer: **Gayle Carlson**

Date review completed: **April 20, 2004**

Briefly explain the subject matter of the document(s):

Rule 262 explains the retail sales and use tax exemptions in respect to the purchase, construction, repairing, decorating, or improving of new or existing buildings or structures used for agricultural employee housing. Definitions are provided, as well as tax reporting requirements if the housing does not meet conditions of the exemptions. A sample exemption certificate form is provided.

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Public requests for review:

YES	NO	
	X	Is this document being reviewed at this time because of a public (e.g., taxpayer or business association) request?

If "yes," provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request.

2. Need:

YES	NO	
X		Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)
	X	Is the information provided in the document so obsolete that it is of little value, warranting the repeal or revision of the document?
	X	Have the laws changed so that the document should be revised or repealed?



		(If the response is “yes” that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
X		Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington’s citizens? (If the response is “no”, the recommendation must be to repeal the document.)

Please explain.

- **This rule provides important information to the agricultural industry. Examples of qualified and non-qualified purchases are provided.**

3. Related interpretive/policy statements, court decisions, BTA decisions, and WTDs:

Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an interpretive or policy statement. Excise Tax Advisories (ETAs), Property Tax Advisories (PTAs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.

(a)

YES	NO	
	X	Are there any interpretive or policy statements that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any interpretive or policy statements that should be cancelled because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this interpretive or policy statement be incorporated into a rule?
		Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that affect the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.



4. Clarity and Effectiveness:

YES	NO	
X		Is the document written and organized in a clear and concise manner?
	X	Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
X		Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities or help ensure that the tax law and/or exemptions are consistently applied?)
	X	Do changes in industry practices warrant repealing or revising this document?
	X	Do administrative changes within the Department warrant repealing or revising this document?

Please explain.

- **This rule is written in a clear manner, but could be clarified as explained in the following:**
 - **Section (2)(c) refers to RCW 70.54.110 which was repealed in 1999.**
 - **Section (3)(iv) provides an outdated telephone number for the Department's taxpayer services division and does not provide the 1-800 number. In addition, it could mention that the sample form referenced is now available on-line.**
 - **The sample form has an error in the first bulleted paragraph. It states interest is due from the time the housing ceases to be used for agricultural housing. (This language is not contained on the on-line version of this form.) Section (4) first paragraph, states the interest is due from the date the housing was approved for occupancy. The second paragraph of the certificate references WAC 458-20-262(3) for a definition for "agricultural employee housing." The definition is located in WAC 458-20-262(2).**
 - **The Department has developed the Farmer's Retail Sales Tax Exemption Certificate, which also can be used to document tax-exempt sales under this provision of law. This form, as well as the sample form provided in the rule, is available via the Department's web page.**

5. Intent and Statutory Authority:

YES	NO	
X		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
X		Is the document consistent with the legislative intent of the statute(s) that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If "no," identify the specific statute and explain below. List all statutes being implemented in Section 9, below.)
	X	Is there a need to recommend legislative changes to the statute(s) being implemented by this document?



Please explain.

- **RCW 82.32.300 and 82.01.060(2) authorize the Department to write and publish rules that are deemed necessary or desirable.**
- **At this time, there are no reasons for recommending legislative changes.**

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
	X	Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

- **The Department has the authority to administer the retail sales and use taxes for property improvements, pertaining to agricultural employee housing, and exemptions that have been granted by the Legislature.**

7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
	X	Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer “yes” only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)

Please explain.

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
X		Does the document result in equitable treatment of those required to comply with it?
	X	Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
	X	Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

- **This rule results in equitable treatment of persons providing agricultural employee housing.**

9. LISTING OF DOCUMENTS REVIEWED: Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorney General Opinions (AGOs) and court,



Board of Tax Appeals (BTA) decisions, and Appeals Division decisions (WTDs) should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented:

- **RCW 82.08.02745 Exemptions - Charges for labor and services or sale of tangible personal property related to agricultural employee housing - Exemption certificate - Rules.**
- **RCW 82.12.02685 Exemptions - Use of tangible personal property related to agricultural employee housing.**
- **RCW 82.32.300 Department of revenue to administer - Chapters enforced by liquor control board.**

Interpretive and/or Policy Statements (e.g., ETAs, PTAs, IAGs):

- **None.**

Court Decisions:

- **None.**

Board of Tax Appeals Decisions (BTAs):

- **None.**

Appeal Division Decisions (WTDs):

- **None.**

Attorney General Opinions (AGOs):

- **None.**

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

- **Special Notice - Sales and Use Tax Exemption for Farm Worker Housing (April 2002). Originally published March 20, 1996.**
- **Special Notice - Farmworker Drinking Water Special Notice (April 2002). Originally published May 2, 2000.**
- **RCW 19.27.015 - State building Code Definitions.**
- **RCW 19.27.067 - Temporary worker housing -Exemption - Standards (1998).**
- **RCW 19.30.010 - Farm Labor Contractors Definitions.**
- **Chapter 70.54 RCW - Miscellaneous Health & Safety Provisions.**
- **RCW 70.54.110 - Labor Camps (repealed).**
- **RCW 70.114A.020 and 70.114.A.081 Public Health & Safety, Definitions, Temporary Worker Housing**
- **RCW 84.34.020 - Property Taxes Definitions.**
- **WAC 458-20-17001 Government contracting - Construction, installations, or improvements to government real property.**



10. Review Recommendation:

- ☒ **Amend**
- ☐ **Repeal/Cancel** (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
- ☐ **Leave as is** (Appropriate even if the recommendation is to incorporate the current information into another rule.)
- ☐ **Begin the rule-making process for possible revision.** (Applies only when the Department has received a petition to revise a rule.)

Explanation of recommendation: Provide a brief summary of your recommendation. If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

The recommendation is to amend Rule 262. Although the rule is written in a clear manner, there are areas that could cause confusion and miss-interpretations.

- **Reference to RCW 70.54.110 should be deleted as it has been repealed.**
- **Update the rule with current Department telephone numbers.**
- **Delete the sample form as not needed, and explain that the form can be obtained via the Internet.**
- **Introductory information referencing the laws of 1997 should be eliminated.**

11. Manager action: Date: April 30, 2004

AL Reviewed and accepted recommendation

Amendment priority (to be completed by manager):

- ☐ 1
☐ 2
☒ 3
☐ 4